

mania eventually terminated in the customary collapse, and the price of Consols fell to 73-J-.

In 1825 a recovery of trade succeeded a previous depression; prosperity yielded a surplus of savings, and an excited rush to the market resulted in a response of higher values, Consols benefiting at the price of 93J.

This brief and fragmentary history (which need not be pursued, as the features described recur with regularity) is instructive and mournful; its general interest is the instability of human character and conduct ; and the insignificant influence of success and failure upon the cultivation and steadiness of modes of judgment. There is an important sense in which we may rightly affirm that failure should not persist in memory, or hopeful energy would be paralysed and progress arrested; but the melancholy lesson which the record enforces is the obliteration of failure in its genuine function as a beacon and guide to future acts. At the same time the reader here and there may acquire the command of his judgment in periods of perplexity by observing the punctual regularity with which depreciated values are succeeded by revival, and thus in his decisions become influenced by the steadying power of a sense of proportion.

The erratic course of Consols which has confused many minds, and has frequently been thoughtlessly accepted as a sign of decaying national credit, may be completely assigned to ascertained causes.

The reduction of the rate upon Consols a few years ago from 3 to 21 per cent has been regarded by competent financial authorities as a premature act. All vital changes demand a suitable environment and period for their, sound and needlessly dislocating introduction. When the abrogation of the 3 per cent stock was made other nations followed suit by the issue of their loans at a reduced rate of interest, and the position was consequently the more pronounced by the less productive character of foreign markets of securities to British investors. A well-known financier recentl^ estimated that, as the net result, the

nation had lost more through this diminution in the rate on foreign investments than it had gained by the relief from the 1 per cent. But as an index of national credit,